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## South Africa, Republic of

### Grain and Feed

### Quarterly Update

### 2007

**Approved by:**

Scott Sindelar

U.S. Embassy, Pretoria

**Prepared by:**

Dirk Esterhuizen

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**Report Highlights:**

The final estimate for corn production for the 2007/08 marketing year amounted to 6.552 million tons on 2.552 million hectares. The drought conditions since January 2007 were the main reason for the lower than average yield. Given the 2 million ton carry-over stock, white corn supply should be sufficient for domestic demand. However, approximately 1.6 million tons of yellow corn will have to be imported. Currently, conditions for the 2007 planting season are very favorable for early and increased planting of corn. Heavy rainfall across most parts of the corn producing region increased soil moisture levels considerably.

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Includes PSD Changes: Yes  
Includes Trade Matrix: No  
Quarterly Report  
Pretoria [SF1]  
[SF]

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## Executive Summary

The area planted with corn in 2006 amounted to 2.552 million hectares compared to the 1.600 million hectares in 2005. However, drought conditions from early 2007 hampered crop development and it is estimated that only 6.552 million tons are available for the 2007/08 marketing year compared to the 6.707 million tons in the previous season. The white corn supply should be sufficient for domestic demand if the approximately 2 million ton carry-over stock is taken into account. However, approximately 1.6 million tons of yellow corn will have to be imported for feed consumption. This situation has led to high domestic prices, which may limit local and regional sales while high international prices will increase import costs.

Currently, conditions for the 2007 planting season are very favorable for early and increased corn plantings. Heavy rainfall across most parts of the corn producing region increased soil moisture levels considerably.

US\$1 = Rand 6.5 (10/24/07)

Sources:

[www.sagis.org.za](http://www.sagis.org.za)  
[www.grainsa.co.za](http://www.grainsa.co.za)  
[www.safex.co.za](http://www.safex.co.za)  
[www.fews.net](http://www.fews.net)  
[www.wfp.org](http://www.wfp.org)

## Production

The Crop Estimates Committee released its final official estimate for the 2006 corn crop on August 28, 2007. The size of the expected commercial corn crop available for the 2007/08 marketing year has been set at 6.552 million tons. The production estimate of white corn is 3.918 million tons on 1.625 million hectares which is 10.8% less than the previous year. Yellow corn production is estimated at 2.634 million tons on 927 000 hectares which is 13.8% more than the previous season. The following table contains area planted and production figures of white and yellow corn for the 2005/06, 2006/07 and 2007/08 marketing years. The impact of the drought that started in January 2007 can clearly be seen in the lower than average yield realized for the 2007/08 marketing year.

CORN	Area 000ha	Yield t/ha	Prod. 000 t	Area 000ha	Yield t/ha	Prod. 000 t	Area 000ha	Yield t/ha	Prod. 000 t
Marketing year	2005/ 06			2006/ 07			2007/ 08		
White	1.700	3.6	6.108	1.033	4.3	4.392	1.625	2.4	3.918
Yellow	1.110	3.6	3.947	567	4.1	2.315	927	2.8	2.634
TOTAL	2.810	3.6	10.055	1.600	4.2	6.707	2.552	2.6	6.552

The official "first intention to plant summer crops" report was released by the National Department of Agriculture on September 27, 2007. Based on inputs received from a sample of producers, seed companies and Provincial Departments of Agriculture, the expected area that will be planted with corn for the 2007/08 production season is estimated at 2.669 million ha, of which 1.595 million ha is for white corn – 1.8% less than the 2006/07 production year -, and 1.074 million ha is for yellow corn – 15.9% more than the 2006/07 production year. Expected plantings of sunflower seed, groundnuts, and sorghum show increases of 64.4%, 22.6% and 15.9%, respectively. The survey was, however, done before the recent heavy rainfall across the corn triangle of South Africa which increased soil

moisture levels considerably. Conditions are favorable for the early and more plantings of corn.

### Consumption

For the 2007/08 marketing season approximately 4.010 million tons of corn, mainly white corn, will be used for human consumption and approximately 4.020 million tons, mainly yellow corn will be used for feed consumption.

The following table contains the actual commercial consumption of white and yellow corn:

CORN 000 t	White	Yellow	Total	White	Yellow	Total	White	Yellow	Total
Marketing year	2005/ 06			2006/ 07			2007/ 08		
Human	3.731	266	3.997	3.718	290	4.008	3.720	290	4.010
Animal	543	3.468	4.011	787	3.260	4.047	620	3.400	4.020
Other	91	49	140	78	6	84	110	465	575
TOTAL	4.365	3.783	8.148	4.583	3.556	8.139	4.450	4.155	8.605

### Trade

In the marketing year ended April 2007 approximately 931 000 tons of yellow corn were imported from Argentina. Corn exports, mainly white corn, for the same period amounted to approximately 548 000 tons. It is estimated that for this marketing year (May 2007 – April 2008) approximately 1.660 million tons of corn, mainly yellow corn, will need to be imported. The carry-over-stock of yellow corn is relatively small at approximately 440 000 tons. As of October 2007, 642 000 tons of yellow corn was already imported from Argentina. The white corn supply should be sufficient to service the local demand, mainly because of a carry-over-stock of 1.630 million tons.

The following table shows the different export countries for white and yellow corn for marketing years 2005/06, 2006/07 and 2007/08. For 2007/08 the actual figures from May to October are shown.

Marketing year	2005/06 (May - April)		2006/07 (May - April)		2007/08 (May – October)	
	White corn	Yellow corn	White corn	Yellow corn	White corn	Yellow corn
<b>Exports Countries</b>	'000 tons					
Angola	14		4			
Benin	2					
Botswana	176	21	118	13	50	1
Cameroon	3					
Der-es- Salaam	10		9			
Ghana	8					
Indonesia		50				
Japan		113				
Kenya	40		3			
Lesotho	83	4	73	6	35	4
Madagascar	1		1			
Malawi	68					
Mali	2					
Mexico			27			
Mozambique	139	11	43		20	
Namibia	54	17	51	16	9	9
Sudan	28					
Swaziland	26	35	18	52	9	20
Somalia	3					
Zambia	89					
Zimbabwe	1.035	11	111		3	
TOTAL	1.781	356	459	88	127	35
EXPORTS						
<b>Import Countries</b>						
Argentina		361		931		642

## Prices

The SAFEX prices as of 10/19/2007 are shown in the following Table. Local prices remain high, at levels above R1800/ton, due to the shortage in local supply and high international prices.

SAFEX Futures prices (2007/10/19)					
Commodity	2007/10	2007/12	2008/03	2008/05	2008/07
White corn	R1870/t (\$275/t)	R1898/t (\$279/t)	R1915/t (\$282/t)	R1531/t (\$225/t)	R1505/t (\$221/t)
Yellow corn	R1943/t (\$286/t)	R1968/t (\$289/t)	R1885/t (\$277/t)	R1525/t (\$224/t)	R1505/t (\$221/t)

## PSD Table

Country	South Africa								
Commodity	Corn								
1000HA, 1000MT	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		05/2006	05/2006		05/2007	05/2007		05/2008	05/2008
Area Harvested	2032	2032	2032	2800	2897	2897	3300	3300	3300
Beginning Stocks	3190	3190	3190	2308	2000	2005	908	175	1077
Production	6935	6935	6707	6700	6500	6552	10500	11000	10500
MY Imports	931	915	931	1200	1000	1660	250	250	250
TY Imports	896	896	896	800	1050	800	800	0	1300
TY Imp. from U.S.	36	36	36	0	0	0	0	0	0
Total Supply	11056	11040	10828	10208	9500	10217	11658	11425	11827
MY Exports	548	540	548	500	525	535	750	550	920
TY Exports	1406	1406	1406	500	500	422	800	0	1200
Feed Consumption	4000	4150	4047	4300	4300	4020	4350	4350	4350
FSI Consumption	4200	4350	4228	4500	4500	4585	4550	4550	4550
Total Consumption	8200	8500	8275	8800	8800	8605	8900	8900	8900
Ending Stocks	2308	2000	2005	908	175	1077	2008	1975	2007
Total Distribution	11056	11040	10828	10208	9500	10217	11658	11425	11827